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15 June 1962

CURRENT INTELLIGENCE WEEKLY SUMMARY



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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

15 June 1962

THE WEEK IN BRIEF
(Information as of 1200 EDT 14 June)

COMMUNIST CHINA'S PUBLIC SECURITY PROBLEMS Page 1

Recent disturbances in Canton underscore Peiping's growing difficulties in maintaining public order. The situation in Canton may be more tense than in China generally, but dissatisfaction is probably widespread since the nationwide economic slump has created mass unemployment and a rootless population. Peasants are drifting into the cities in search of food and jobs and compounding the regime's security problems. The regime is resorting to shows of force to maintain order.

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LAOS Page 2

King Savang is scheduled to designate a new provisional government on 18 June at Vientiane. The three princes on 12 June finally reached agreement on a 19-member cabinet headed by Souvanna, with Souphannouvong and Phoumi as vice premiers with the right of veto over decisions in defense, interior, and foreign affairs. The generally favorable bloc reaction to the settlement has been tempered with renewed demands that the US withdraw its forces from Thailand.

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ALGERIA Page 4

The rift between military and civilian factions of the Algerian nationalists apparently widened during the meeting of the Algerian National Revolutionary Council in Tripoli. The Algerian National Army now is massing along the Tunisian border preparing for a return to Algeria. There is an increasing possibility of clashes between it and the French Army as the 1 July referendum date approaches.

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SOVIET FOREIGN POLICY DEVELOPMENTS Page 5

The declaration issued by the Warsaw Pact Political Consultative Committee which met in Moscow on 7 June is further evidence that the Soviet leaders are not prepared at present to bring the Berlin situation to a head. There was no indication, however, that the USSR will moderate its terms for a Berlin settlement in order to step up the pace of the US-Soviet negotiations. Moscow apparently intends to stand firmly on its present position while playing for time in which to press for Western concessions by warning that further "delaying tactics" will leave the bloc no alternative but to sign a separate peace treaty with East Germany.

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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

15 June 1962

SINO-SOVIET RELATIONS. Page 9

25X1 Developments at the 6-7 June top-level meeting in Moscow of the Council for Mutual Economic Assistance point up the growing cleavage between the pro-Moscow and pro-Peiping members of the Sino-Soviet bloc.

The period of relative moderation and mutual restraint in exchanges of polemics which set in soon after the dispatch of the Soviet letter began to break down in mid-April--perhaps as a reflection of the nature of the Chinese reply.

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PERUVIAN ELECTIONS Page 12

25X1 Although the final official count is not expected before 18 June, officers of the Peruvian Army, which controls the election machinery and favors Belaunde, privately state that he will win.

The reformist, anti-Communist APRA will probably charge electoral fraud and call a general strike--a move which in the present atmosphere may lead to wide-spread violence.

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SOUTH VIETNAM Page 13

Fighting intensified during early June. Viet Cong attacks increased notably over the weekly level in late May, especially in the southern provinces, and harassment of the coastal railroad was resumed. Communist propaganda has attempted to discredit the ICC report, as yet unpublished, censuring North Vietnam for subversive activities in the South, and to depict "US intervention" as the basic cause of increased tension.

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CONGO Page 14

The Adoula-Tshombé talks continue in a desultory fashion amid charges and countercharges of stalling and an atmosphere of increasing acrimony. Only one of the five joint commissions proposed by UN representative Gardiner to effect Katanga's reintegration has been established since the talks resumed on 22 May, and Tshombé now insists that functioning of all commissions must await an overall settlement. Discussions centering on a monetary commission now are bogged down in a squabble over continued circulation of Katangan currency. Katangan leaders in Elisabethville have made a series of public attacks on the Leopoldville government, the UN, and the US.

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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

15 June 1962

SOUTH KOREA Page 15

Opposition to the South Korean junta is growing among both military and civilian elements. Moves by security chief Kim Chong-pil to increase his power threaten to upset the balance which junta leader General Pak Chong-hui has sought to maintain among the military factions, while reports and rumors of plots among politicians have multiplied. Security forces have been placed on emergency alert against subversion. [REDACTED]

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BULGARIAN COMMUNIST PARTY PROBLEMS Page 16

Bulgarian party First Secretary Todor Zhivkov, at the urging of Khrushchev, has been attempting since last fall to revamp--particularly through de-Stalinization--one of the bloc's most conservative Communist parties. His efforts have been thwarted by the powerful Stalinist faction in the party. Although Zhivkov's faltering campaign was given new impetus by Khrushchev's 14-20 May visit, the Bulgarian leader is only beginning what will be a long-term process in altering the basic outlook of the party membership. [REDACTED]

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PROSPECTS FOR AZORES BASE RIGHTS NEGOTIATIONS Page 17

Continuing adverse press criticism of US policies and an increasingly negative attitude by high Portuguese officials indicate that Lisbon is building up a tough bargaining position for renegotiation of the Azores base rights agreement, which expires in December. The predilection of the top military echelon for continued military cooperation with the US will probably obviate any move to force the US out of the islands, but Lisbon may decide it can exert leverage on Washington's African policies by agreeing at this time to only a one-year extension. [REDACTED]

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SPAIN Page 19

The Franco regime, in contrast to the unusual moderation with which it handled the recent two-month strike wave, has dealt promptly and repressively with opposition political leaders for their activities at a recent nongovernmental conference on European integration in Munich. Conservative and other leaders from Spain united there with a number of long-time Spanish exiles in pressing a resolution to the effect that Spain must liberalize its political structure to qualify for the Common Market. Despite its harsh measures in this instance, the regime seems to recognize that the political climate is changing. It will probably be faced with increasingly insistent demands for liberalization, particularly from labor. [REDACTED]

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CURRENT INTELLIGENCE WEEKLY SUMMARY

15 June 1962

BRAZIL Page 20

Public confidence in the Goulart regime, which rose steadily during the early months of this year, has again fallen off. Goulart's precarious health is one factor, as are the stepped-up campaigning for the October gubernatorial and congressional elections and the cabinet changes they will soon precipitate. Certain basic foods are in short supply, the foreign exchange rate has fallen, and there has been a new outbreak of rural violence in northeastern Brazil.

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COLOMBIA Page 21

President-elect Valencia, who is scheduled to visit the US in late June, is committed to the strongly pro-Western policy of the Lleras government. There is widespread concern in Colombia as to Valencia's executive ability, however, and his administration faces such difficult problems as alleviating Colombia's severe international payments situation, obtaining an effective international coffee agreement, and halting the recent increase in leftist agitation. Government forces continue unable to suppress the extensive rural violence that has plagued Colombia since 1948, and there is a danger that the currently small Communist influence among the bandit groups may increase.

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NORTH VIETNAM'S AID DIPLOMACY IN AFRICA Page 22

The North Vietnamese have set up a foreign aid program in Guinea that they hope will be a prototype for projects elsewhere in Africa. They are paying particular attention to former French colonies, frequently pointing out that they share a common bond of experience in the struggle for independence from France. Unable to compete with more affluent nations in terms of impact construction projects for economically underdeveloped areas, Hanoi is counting on its own approach--concentrating on teacher training and public health--to support its bid for wider international recognition and to increase its influence.

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SPECIAL ARTICLES

SOVIET CONCEPT OF WORLD WAR III IN EUROPE Page 1

Recent articles by Soviet military leaders on military doctrine, when compared with available information on the type of training, equipment, and force structure of Soviet tactical units, reveal the nature and scope of operations anticipated in Europe by the USSR in the event of World War III. The Soviets envisage an initial intercontinental exchange of nuclear fire and missile and bomber attacks on strategic targets in Western Europe. This would be followed up by nuclear-supported ground offensives aimed at destroying the main NATO troop formations and capturing the Continent.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

15 June 1962

THE BLOC AND CUBA'S ECONOMIC PROBLEMS Page 4

Some three years of revolutionary upheaval in Cuba, accompanied by gross mismanagement, the break in trade relations with the US, and the measures taken to reorient the Cuban economy toward the Sino-Soviet bloc, have led to a general economic decline. Cuba now is experiencing consumer shortages typical of Communist-dominated countries. The bloc has responded to the country's mounting economic difficulties with a strenuous drive to provide assistance. Moscow's willingness to commit its resources and prestige to aid the Cuban regime suggests that the bloc is confident that Cuba can be made economically viable in the long run.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****WEEKLY REVIEW****COMMUNIST CHINA'S PUBLIC SECURITY PROBLEMS**

Recent disturbances at Canton transportation terminals involving disgruntled travelers trying to buy tickets to the Hong Kong border underscore Peiping's growing difficulties with a restive population. A riot on about 1 June at the Canton railway station had to be put down by troops, and several persons were reportedly killed. In view of Canton's proximity to Hong Kong, the situation in Canton may be more tense than in China generally. Dissatisfaction is probably widespread, however, since the nationwide economic slump has created mass unemployment and a rootless population.

Peiping's decision further to reduce urban population--thinly disguised as a campaign to "aid agriculture"--was taken primarily to cut down on the amount of food that must be shipped to the cities and to diminish the potential for organized dissidence. Premier Chou En-lai reportedly told the National People's Congress this spring that about 30 million people--one third of the urban working force and their dependents--will be transferred to rural areas. However, not only are jobless workers resisting resettlement, but the peasants in many areas strongly resent their coming. The already overpopulated areas of rural China have no need for additional labor.

In addition there appears to be a shortage of farm tools with which to equip the newcomers. One recent article in the People's Daily cited a commune where tools had been made out of "worn metalware and broken wooden utensils."

In some cities, discharged workers are deprived of their

urban food-ration tickets to force them to move to the country. It is not known how many of these people, unable to relocate, become drifters without documents.

Peiping's decision to push forward with the program of population relocation was made despite the repeated failures of such efforts in the past. Even during 1956, when the regime maintained firm control over movement of the population, the attempt to reduce Shanghai's population failed when evacuees soon filtered back into the city.

Even some public officials are being shifted away from the cities.

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In addition to the mass movement of workers to the countryside, destitute peasants are coming to the cities to look or beg for food. An account from Swatow in April states that peasants who termed themselves "rural village food-borrowing teams" were begging in the streets. Petty crime and general lawlessness are reported on the rise throughout the mainland.

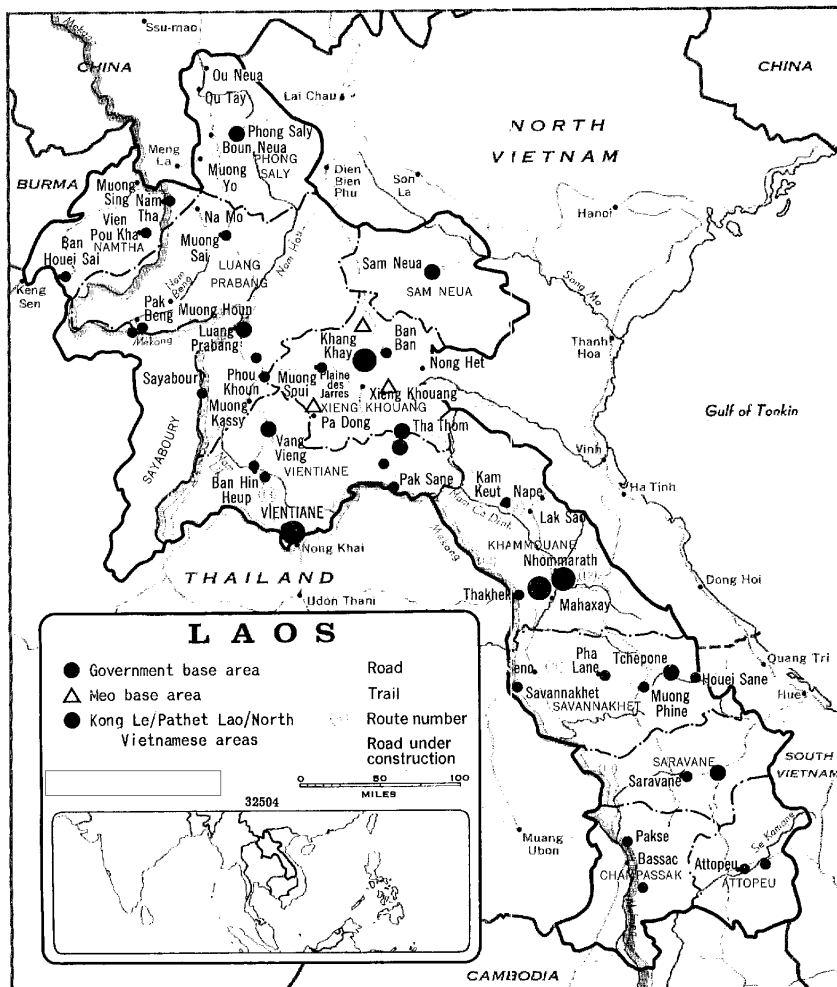
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LAOS

The agreement calls for a 19-member cabinet which is to be composed of two four-member groups representing the Boun

Souphannouvong and Phoumi are to hold positions as vice premiers under Souvanna; all decisions concerning defense, interior, or foreign affairs would require their unanimous approval. Other key assignments include: defense - Souvanna; interior - Pheng Phongsavan; foreign affairs - Quinim Pholsena; finance - Phoumi; economy and planning - Souphanouvong; and information - Phoumi Vongvichit.



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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**Bloc Reaction

Moscow promptly welcomed the coalition agreement as a "victory of the Laotian people" achieved by their perseverance, the efforts of Souvanna Phouma, and the "moral support of the socialist camp headed by the Soviet Union." As late as 10 June, however, Soviet propaganda continued to charge that the US was considering sending troops into Laos if the talks broke down and to warn that this "belligerent" attitude would only fan Phoumi's "adventurism."

A 12 June Izvestia article warned that US forces in Thailand might be used in the future to "exert military pressure" on the coalition government to abandon its neutralist policy. Izvestia's assertion that withdrawal of these forces would be in accord with the Vienna agreement between President Kennedy and Khrushchev may foreshadow Soviet diplomatic and propaganda demands that they be pulled out in order to ensure the independence and neutrality of Laos.

Khrushchev's 12 June letters to President Kennedy and Prime Minister Macmillan were designed to place the USSR in the position of being the leading champion and defender of the Laotian accords and a broader

political settlement in Southeast Asia. The Soviet premier said the accords may become the "pivotal event" both in Laotian affairs and in the "cause of strengthening peace in Southeast Asia." He noted that the way is now open for completing the work of the Geneva conference on Laos. In the message to President Kennedy, Khrushchev expressed satisfaction that the Vienna agreement on a neutral and independent Laos "begins to be translated into life."

Both Peiping and Hanoi portray the agreement for a Laotian coalition government as a defeat for the US goal of a "puppet regime" there. Both temper their satisfaction, however, with a warning against possible "aggressive action" by US troops in Thailand. Peiping has rebroadcast Izvestia's call for the prompt withdrawal of US forces from Thailand and is likely to adopt the theme that their departure is necessary for Laotian independence.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****ALGERIA**

The rift between military and civilian factions of the Algerian nationalists apparently widened during the meeting in Tripoli of the Algerian National Revolutionary Council (CNRA)

It is still expected, however, to dissolve itself after the 1 July referendum.

One accomplishment of the CNRA meeting was to select PAG deputy premier Mohamed Ben Bella as secretary general of the National Liberation Front (FLN) and former PAG premier Ferhat Abbas as a member of its political committee. The FLN and the Algerian Communist party are among the groups fulfilling the conditions for participation in the pre-referendum political campaign, which opens early next week.

PAG deputy premier Belkacem Krim, principal Algerian negotiator at Evian who returned to Algeria with the Provisional Executive's delegation on 10 June, may be attempting to repair political fences on behalf of the PAG moderates as well as to bolster the Provisional Executive in its continuing negotiations with members of the Secret Army Organization (OAS) and other European elements who are attempting to elicit guarantees beyond those obtained at Evian. Premier Ben Khedda, however--before departing for Cairo, where he is attending the Casablanca Powers conference--reflected the pressure from extremist elements when he clearly ruled out any pre-referendum promise of amnesty for OAS terrorists or any semiautonomous status for European residents in an independent Algeria.

The American Embassy in Tunis, commenting on the absence from Tunis of all PAG/FLN leaders,

believes that the keys to a power struggle may well be whether Ben Khedda and Krim control nominations to the constituent assembly through the Provisional Executive, and whether the French Army--despite the provision of the Evian agreement that it leave the frontier after self-determination--will hold the Algerian National Army (ALN) forces outside Algeria until the assembly is elected in July.

The possibility of clashes between units of the ALN and French forces increases as ALN units prepare to return to Algeria.

Although French officials had previously played down the number of European settlers fleeing Algeria by attributing much of the total to the "usual vacation season," Secretary of State for Repatriation Boulin stated publicly on 13 June that the number of refugees between 1 and 12 June totaled 92,000. Previous OAS threats to punish any departees have been modified to "permit" the flight of all but able-bodied males, who are "ordered" to remain and assist with the scorched-earth policy until and unless the PAG offers more concessions to the Europeans.

The settler influx into France --far higher than the authorities had hoped or prepared for--has reportedly permitted infiltration of armed OAS personnel among the refugees.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

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SOVIET FOREIGN POLICY DEVELOPMENTS

The declaration issued by the Warsaw Pact Political Consultative Committee which met in Moscow on 7 June provided further evidence that the Soviet leaders are not prepared at present to bring the Berlin situation to a head and that they intend to continue the bilateral talks with the US. There was no indication, however, that the USSR will moderate its terms for a Berlin settlement in order to step up the pace of the negotiations. Moscow apparently intends to stand firmly on its present position while playing for time in which to press for Western concessions by warning that further Western "delaying tactics" will leave the bloc with no alternative but to sign a separate peace treaty with East Germany.

Reflecting the continued Soviet interest in seeking a solution to the Berlin problem through negotiations, Khrushchev's 12 June message to President Kennedy hailing the formation of a Laotian coalition government commented that the settlement in Laos provides an example for "solving other international problems which now divide states and create tension in the world." Khrushchev pointed out that all that was necessary was a "desire to resolve international problems" on a basis of mutual cooperation, taking account of the interests of all sides.

The Warsaw Pact declaration stated that Foreign Minister Gromyko had reported on the US-Soviet negotiations and that the other Warsaw Pact members endorsed the Soviet position and favored the continuation of the bilateral talks. The statement attacked what it claimed were Western efforts to use the talks to delay a final settlement on the main issues, namely, the withdrawal of the occupation forces from West Berlin and the liquidation of the occupation regime. It declared that if the West is unwilling to agree to a mutually acceptable solution to the German problem, then the bloc will conclude a separate treaty, after which West Berlin "will be regarded as a demilitarized, free city." The memorandum Khrushchev gave President Kennedy at Vienna in June 1961 stated that the peace treaty "will specifically designate the status of West Berlin as a free city," but the USSR has devoted little attention to this point in recent months.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

Berlin Incidents

Moscow has used the recent series of incidents along the Berlin sector border to warn against any moves to upset US-Soviet talks and to question Western intentions regarding a negotiated settlement. A 10 June Moscow Radio commentary, alleging that the incidents were caused by West Berlin police provocations, pointed out that this rising air of tension was taking place "precisely at the same moment" when the US-Soviet talks were being held. The commentary pointed out that the West's deliberate encouragement of the West Berlin authorities in this regard raised the question of its "real desire" for successful talks.

The increased tension on the sector border has been due in large part to the growing number of escape attempts. This has resulted in more aggressive action by the East German border police and a greater willingness on the part of West Berlin authorities to come to the aid of the refugees. The Ulbricht regime has intensified security measures along both the sector and zonal border surrounding West Berlin and has also begun to build more substantial defenses inside East Berlin.

The USSR gave its formal backing to the East Germans in a note delivered to the three Western occupation powers on 7 June. The note takes the position that provocations during the last week in May were caused by the West Berlin police with the open support of the occupation forces in West Berlin. It stressed that these incidents only serve to demonstrate the urgent need to "normalize" the situation in West Berlin and "eliminate the occupation regime there."

The note concluded on an ominous note, stating that the

Soviet Government "may be forced to take appropriate measures in order to fulfill its obligations toward the German Democratic Republic." The USSR thus attempted to disclaim responsibility for the actions of the East German police, and to induce the Western Allies to bring pressure on West Berlin officials to change their policy which authorizes West Berlin police to shoot back at East Germans.

Moscow used the occasion of West German Defense Minister Strauss' recent trip to the US to attack Bonn's alleged intentions to secure nuclear weapons from the US and described the visit as another step in West Germany's campaign to obstruct progress in the US-Soviet bilateral talks on Berlin. Izvestia on 12 June also bitterly attacked the West German Government for allegedly planning the "provocative" incidents now occurring in West Berlin and concluded that this only serves to complicate solution of the Berlin problem.

The East Germans have protested the scheduled 17 June visit by Adenauer to West Berlin. A note to the US via Prague claimed that the visit disregarded the "legal" position that West Berlin is not part of West Germany and that Adenauer's visit was designed to encourage "acts of aggression" in Berlin at a time when "certain signs suggest a possibility of understanding" on the normalization of conditions in West Berlin. The note pointed out that the West German leader's flight on a military aircraft would violate the air traffic regulations for West Berlin inasmuch as these air routes were "originally established to supply the occupation troops."

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CURRENT INTELLIGENCE WEEKLY SUMMARY

Common Market

The communiqué issued following the 6-7 June meeting in Moscow of the Council for Mutual Economic Assistance (CEMA) reiterated Khrushchev's 30 May call for an international conference which would discuss the creation of "an international trade agency embracing all countries of the world without any discrimination."

The Soviet Union's increasing concern with the developments in the Common Market received renewed emphasis during the past week. Reflecting Soviet awareness that the question of British membership in the Common Market is a critical issue, a 10 June Pravda editorial commented on the increased differences among Common Market countries in connection with negotiations on the UK's admission to the organization. The article alleged that France and West Germany are intent on weakening the UK's position within the Commonwealth, while Great Britain wants to strengthen its position in West European markets.

Bloc propaganda commentary during the past week also stressed that the CEMA conference clearly demonstrated the unity and cohesion of the "socialist" countries and contrasted this with the capitalists, who are splitting the world into "isolated" economic blocs. The Pravda editorial concluded that Khrushchev's proposal to hold an international conference on trade would offset the capitalists' policy of disrupting economic intercourse and that the Soviet leader's proposal has met with understanding on the part of those who sincerely desire unhampered expansion of international trade.

On 13 June the Soviet-French trade negotiations on a proposed three-year trade

pact extending the present commercial agreement between the two countries were suspended. The Soviets apparently decided to make a major issue of the Common Market and demanded that preferential tariffs enjoyed by the member nations of the European Economic Community (EEC) should be extended to Soviet goods. Moscow's action suggests that it may step up its attack in future trade deliberations with members of the EEC. The Soviet negotiators proposed that the trade discussions be resumed in the fall. West Germany is also due to negotiate a renewal of its long-term trade agreement with the Soviet Union which expires at the end of 1963.

Disarmament and Nuclear Testing

The 7 June declaration of the Warsaw Pact Political Consultative Committee was confined to the issues of Berlin and Germany; it did not mention other major East-West issues, such as disarmament and nuclear testing. Moscow has, however, stepped up its propaganda campaign against US plans for high-altitude nuclear tests. It continues to publicize the Soviet Government statement of 3 June, and numerous protests of Soviet and non-Communist scientists. An authoritative Pravda "Observer" article on 10 June described US high-altitude tests as an "integral part of the great strategy of American imperialism" which aims at prescribing to the world "the narcotic of an endless and hopeless arms race disguised as a vitalizing remedy."

The current campaign seems aimed more at capitalizing for propaganda purposes on concern expressed by elements of the world scientific community over the possible consequences of

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CURRENT INTELLIGENCE WEEKLY SUMMARY

the US tests in outer space than at justifying a Soviet test resumption in the immediate future.



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At the Geneva disarmament conference, Soviet delegate Zorin charged on 8 June that the West was maneuvering and making a "pretense" at negotiating while quickening the pace of nuclear explosions. The conference will recess after the 14 June session and will reconvene in Geneva on 16 July.

Outer Space

Moscow TASS promptly reported the 8 June US-Soviet communiqué announcing agreement in the bilateral talks at Geneva for plans to gradually increase the exchange of information received from weather satellites aiming at eventual coordinated launchings of such satellites. Moscow also noted that plans were examined for joint efforts in the sphere of world magnetic survey and said that discussion of questions related to international cooperation in communications by means of artificial earth satellites will be continued at subsequent meetings. There has been no Soviet press comment on the bilateral talks thus far, but the fact that Moscow reported factually on the conclusion of the current sessions seems to indicate Soviet satisfaction with the course of the talks.

Moscow has also reported the tabling of the Soviet draft declaration on "principles" regarding exploration and use of

outer space and a draft treaty on the rescue of cosmonauts and space ships in distress at the 7 June session in Geneva of the legal subcommittee of the UN Committee on Outer Space. TASS reviewed the documents, including the provision in the "principles" declaration which aims at banning the use of earth satellites for military reconnaissance purposes.

Citing an 11 June article in The New York Times on the possible increased role of the Pentagon in US space programs, correspondent Kondrashov in the 12 June Izvestia asserted that the Pentagon, with White House sanction has begun working out a program aimed at intensifying the military uses of outer space and also ensuring US control over outer space in the interests of "preparations for war." Kondrashov claimed that US preparations to "militarize the cosmos" are "clearly aggressive" in view of President Kennedy's alleged statement on the possibility of a preventive war against the USSR. He asserted that this trend "deals a blow" to the UN resolution on peaceful uses of outer space-- which the US had supported.

The Soviet central press on 13 June carried a less virulent TASS dispatch which took note of alleged "alarm and anxiety" of the delegates at the resumed sessions of the 16th UN General Assembly occasioned by The New York Times report. TASS asserted that the Pentagon program and the US decision to conduct high-altitude nuclear tests "profoundly contradict" US assurances about a desire for peaceful uses of outer space and for cooperation in this field with the Soviet Union and other countries within the UN framework.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SINO-SOVIET RELATIONS**

The communiqué issued following the 6-7 June top-level meeting in Moscow of the Council for Mutual Economic Assistance (CEMA) points up the growing cleavage between the pro-Moscow and pro-Peiping members of the Sino-Soviet bloc. In effect, the actions taken there tend to formalize the clear, but heretofore de facto, split in the camp by institutionalizing an in group and an out group within an organizational framework.

Mongolia, the only Asian satellite which has stood firmly beside the USSR in its dispute with Communist China, has been rewarded by having its status raised from observer in CEMA to full member. Although no action formally expelling Albania from CEMA was announced, the fact that Tirana was not invited to the meeting indicates that it is no longer regarded as an active member of the organization. China, North Korea, and North Vietnam were not listed as observers at this meeting, although all three had held the same status as Mongolia at earlier similar CEMA meetings.

Albania, moreover, was not invited to participate in the Warsaw Pact Meeting which took place on 7 June, indicating that it is no longer considered a member of that organization either. In this instance, however, Mongolia was not listed even as an observer to the meeting; China, North Korea, and North Vietnam were also absent. All of these countries have on occasion attended Warsaw Pact meetings as observers. The Albanian Government has sharply protested that both the CEMA and Warsaw Pact meetings were illegal, and any actions taken null and void, since it, as a member of both organizations, was not invited.

CEMA may have been chosen over the Warsaw Pact as the organizational framework for the Moscow-led faction of the

bloc as a not too subtle warning to those left out that the price of a privileged economic status is closer identification with Soviet views. This would apply particularly to North Vietnam, whose attempts to maintain a neutral stance have made its positions more non-Soviet than pro-Peiping. CEMA also provides a more convenient vehicle for future possible inclusion of Yugoslavia, if current Soviet attempts at a new rapprochement with Tito are successful.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

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Temporary Moderation in Polemics

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Apparently in order to improve the atmosphere

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to demonstrate in concrete terms what could be expected from an accommodation, the Soviet leaders began in early March to put a better face on Sino-Soviet relations and to publicize Sino-Soviet unity wherever feasible. Broadcasts to China adopted a new tone, accentuating elements of unity, and in mid-March Soviet denunciations of Albanian leaders dropped off. Khrushchev's public remarks in March and early April could not be considered major polemics against Peiping, although they contained criticism of Chinese domestic programs. For their part the Chinese, perhaps while they debated the merits of the Soviet proposals and made their decision, also contributed to the lull during March and through late April by toning down their polemics and publicizing joint Sino-Soviet activities.

The quieting of the surface agitation was a relative and modest one, however. Throughout the period there were exchanges of views on the effect of disarmament on the "national liberation movement," the relative merits of the Soviet and

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

Chinese style of peaceful co-existence, and the dangers of revisionism. Most important, the Soviet Union moved rapidly ahead with its plans to improve relations with Yugoslavia.

It seems probable that the Chinese reply to the Soviet proposals came in the middle of April and that it was an implicit, if not outright, rejection. At any rate, the period of relative moderation and mutual restraint ended then. The long-delayed signing of the 1962 Sino-Soviet trade protocol took place on 20 April with indications that no improvement in economic relations was in sight. On 22 and 24 April, Pravda and People's Daily carried on their most heated exchange since late February, using selected quotes from Lenin's writings as ammunition.

On 25 April the Chinese resumed in their theoretical journal, Red Flag, the series of articles attacking "revisionism" which they had begun in February. The last of these articles, which were clearly intended to identify Khrushchev with such views, had appeared on 1 March. Another in the series appeared in the 16 May issue of Red Flag. On 28 April, a People's Daily article published a detailed rebuttal of an article in the April issue of the Soviet publication International Affairs on the nature of nuclear war, the spread of nuclear weapons, and disarmament.

The resumption of Chinese attacks on revisionism followed the announcement that Soviet Foreign Minister Gromyko would visit Yugoslavia from 23 to 28 April. In the face of the clear opposition from the Chinese to this policy, however, Khrushchev went ahead to endorse Yugoslav "socialism," spoke of the need for an improvement in Soviet-Yugoslav relations, and finally invited Tito to the Soviet Union for an unofficial visit. Moreover, on 10 May the Soviet Union sud-

denly returned to attacking Albanian leaders, collectively and by name, in a new series of broadcasts--the first since 16 March.

Thus Moscow's action with regard to CEMA appears to be another tactical move in the continuing political warfare between the Moscow-led faction and the Chinese-led faction of the Communist movement. Moscow has expanded a formerly all-European organization to include an Asian member. At the same time, it has moved to make clear the exclusion of a former European member. Without closing the door permanently, the Soviet Union has indicated that the benefits that flow from close association with the strongest member of the "socialist camp" are available only to those willing to accept Soviet leadership. As in the case of the letter, it is necessary for Peiping and its supporters simply to make the proper response in order to be assured of a warm welcome.

Outlook

Peiping's immediate response has been to ignore the CEMA communiqué, although it has taken note of the Warsaw Pact communiqué. It has also demonstrated its continued support for the heretical Albanians by republishing in the 9 June People's Daily a full page of selections from a violently anti-Soviet speech made by Albanian leader Hoxha on 30 May. Before the CEMA action was made public, Peiping had been content to report only that Hoxha had made an important speech in connection with his election campaign.

Both the USSR and China appear to wish to avoid precipitating a complete break in relations. Within the limits imposed by this desire, however, they continue to maneuver for a decisive tactical advantage over the other. The fruits of this game will probably be a slow but steady deterioration in relations.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

PERUVIAN ELECTIONS

Official returns from Peru's presidential and congressional elections on 10 June are scheduled to be announced by the National Elections Board sometime after the 18th. Although each major party has published unofficial figures demonstrating that its own candidate has a slight lead, the nearest approximation of an official statement is that by Peruvian Army officers to the US Army attaché on 12 June that Fernando Belaunde Terry had won the presidency. The army controls the election machinery and favors Belaunde. In view of pre-election reports that the army would use its position as constitutional arbiter of the election to put Belaunde in office fraudulently, the officers' claim can be taken as a probably accurate forecast of events rather than an objective report of the actual ballot count.

Before the elections, leaders of the reformist, anti-Communist APRA threatened to call a general strike if their candidate, the redoubtable Victor Raul Haya de la Torre, was thought to be the victim of fraud. APRA controls most of organized labor in Peru and could easily make good on the threat. If a strike is called, widespread civil disturbances are almost certain to result. In the event that the army is called out to assist the police in maintaining order, the emo-

tional tension stemming from the bitter election campaign could burst into serious violence reminiscent of the conflicts of the 1930s between the army and APRA.

It was generally conceded before the elections that APRA would win control of congress regardless of who was elected president. The army indicated, however, that Belaunde's leftist-supported Accion Popular would win about 99 congressional seats to APRA's 70, with former dictator Manuel Odria's generally conservative supporters having about 43.

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An anti-APRA coalition in congress would force APRA into opposition to a government of conservative and leftist extremists, leading to serious difficulties throughout Belaunde's six-year term.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOUTH VIETNAM**

Fighting in South Vietnam intensified during early June. The government forces stepped up their use of air and helicopter support and of naval craft, reflecting a gradual improvement and greater flexibility in planning and executing operations despite the absence of spectacular results.

Communist attacks in the first week of June were up substantially over the previous

week, especially in the Nambo area, where on 4 June a force estimated at 400 overran a district headquarters and a guard post during simultaneous attacks on several targets, including an agrovillage (large resettlement center) to the north of Bac Lieu. The Viet Cong resumed harassment of the coastal railroad, ambushing one train and derailling another near Phan Thiet and sabotaging a bridge north of Quang Ngai. A number of company-size attacks were carried out against isolated villages and outposts.



Propaganda from Hanoi, supported by a Chinese Communist Foreign Ministry statement on 9 June, has strongly condemned the majority report of the International Control Commission, as yet unpublished, citing North Vietnam for aggression and subversion in South Vietnam. These pronouncements argue that the report exceeds the commission's competence and is invalid without Polish concurrence. They have ignored the report's censure of South Vietnam for the introduction of US materiel and personnel. The Communists apparently fear that the report may be used to justify a larger US commitment in the South and are attempting to show that "US intervention" is the basic cause of increased tension.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****CONGO**

The Adoula-Tshombé talks which resumed on 22 May continue to limp along following UN representative Gardiner's plan to get the two leaders to agree to establish five joint commissions under a UN chairman to settle military, monetary, economic, transport, and political matters. According to the plan, agreements on the five commissions would be capped by a final communiqué in which Tshombé would renounce Katanga's secession.

Since 30 May, when Adoula and Tshombé announced agreement on the establishment of the first commission (military), discussions have concentrated on monetary affairs. The two have agreed to set up a single national bank of issue, but Tshombé refuses to withdraw his Katangan currency and insists it circulate on a par with that of the Congo.

Talks were halted from 2 to 6 June as a result of a verbal fracas between Tshombé and northern Katanga Baluba leader Jason Sendwe, who is a vice premier in the Leopoldville government; Sendwe threatened to have Tshombé arrested.

Tshombé on 11 June, apparently to put Adoula and Gardiner on the defensive and to clarify his own position, complained in a letter to the UN representative that the publicity given by him and U Thant to the agreement on the military commission was incorrect; no agreement had yet been given, he said, and none could until an overall agreement had been reached. At a reception the next day, Tshombé made it clear he would not name the Katangan representatives to the military commission or let it or any other commission begin work until all commissions and

their mandates were agreed upon.

In his letter to Gardiner, Tshombé questioned Adoula's desire to reach a peaceful settlement, charging that Adoula had sent a request to the UN Congo Advisory Commission asking that UN forces be ready to intervene in Katanga should the talks fail. The Katangan leader accused UN officials of trying to get Brussels and the mining companies to stop paying taxes to Katanga in order to "render it powerless," and reminded Gardiner that he regarded the UN's job in the talks as restricted to good offices only.

Adoula continues to believe that Tshombé, on the advice of his Belgian advisers, is stalling. Adoula is apparently content, however, claiming that the talks "will build a good record."

Adoula has begun to express concern that Katangan extremists--particularly Foreign Minister Kimba and Interior Minister Munongo--are influencing Tshombé and that, regardless of Tshombé's intentions, they will repudiate any agreements that he might reach. Adoula thinks some measures should be taken--presumably by the UN--to restrain and isolate these individuals. Kimba and Munongo have made strong public attacks on the Leopoldville government, the UN, and the US

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UN representative Galeb in Elisabethville and other diplomats also have expressed fear that Munongo and Kimba will try to sabotage any rapprochement if not attempt to unseat Tshombé.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

SOUTH KOREA

South Korea appears to be approaching a new period of political crisis. Security chief Colonel Kim Chong-pil's efforts to extend his power are generating serious strains within the ruling junta. The recent appointment of a Kim supporter to command the South Korean First Army--the combat force facing North Korea--threatens the balance of power which has been maintained among contending military factions by junta leader Gen. Pak Chong-hui.

Kim's forays into the economic field and ensuing charges of corruption have weakened confidence in the integrity of the regime. His manipulation of the stock market reportedly has netted him over \$7,500,000 to help finance his security and political activities. Prime Minister Song Yo-chan is threatening to resign--although agreeing to stay on until the situation quiets down--unless Kim's economic activities are curbed. Song believes that he, not Kim, will be the one sacrificed in the final showdown.

The barring from political activity of most former civilian leaders, some of whom retain strong local ties, has increased bitterness among the politicians.

rumors of antigovernment plots reflect growing and more active opposition to the regime. The security forces have been placed on an emergency alert against subversive actions.

The small but emotionally charged student demonstrations which broke out in Seoul on

6 June protesting the mistreatment of Koreans by US military personnel appear to have had tacit official approval. The students' intentions were known, and the regime probably saw an opportunity to bolster its claim that it was under increasing public pressure to secure a status-of-forces agreement. It soon became apparent, however, that student dislike of the regime was also a factor behind the disorders. The government firmly but cautiously brought them to an end by 10 June after they had spread to Taegu, South Korea's third largest city.

A currency conversion initiated on 10 June--apparently intended as a device to confiscate almost \$100,000,000 from large private and corporate holdings--is probably the regime's final settlement with businessmen and politicians who accumulated illegal wealth during the Syngman Rhee and Chang Myon administrations. General Pak has explained that the government will use most of the funds for industrial development. The measure is likely to depress economic activity, however, and may be followed by the nationalization of important industrial and commercial enterprises.

General Pak has so far given no indication of uncertainty and is probably confident he can control the situation. However, attempts by opponents of the regime to exploit the unrest could lead to a crisis, particularly if some senior military leaders feel their position is challenged and attempt a coup.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****BULGARIAN COMMUNIST PARTY PROBLEMS**

Since the Soviet 22nd party congress last fall, Bulgarian party First Secretary Todor Zhivkov, at the urging of Khrushchev, has been attempting to revamp--particularly through de-Stalinization--one of the most conservative Communist parties in the "socialist camp." His efforts have been thwarted by the powerful Stalinist faction in the party. One of the main purposes of Khrushchev's 14-20 May visit to Bulgaria was to instill new vigor and direction in Zhivkov's faltering campaign.

Although Zhivkov has made some progress in de-Stalinizing the Bulgarian regime, the results are inconclusive. He was able last November to oust from positions of power one-time hard-line party boss Vulko Chervenkov and has made him the primary scapegoat for such de-Stalinizing as has been carried out. Despite Zhivkov's efforts, however, many members of the party central committee reportedly still admire and respect Chervenkov and regret the loss of his talents. Other sources have reported that the Bulgarian people regard the anti-Chervenkov campaign cynically, considering present-day leaders equally tarred with the Stalinist brush.

The most notorious Stalinist after Chervenkov, Georgi Tsankov, was ousted as minister of interior in March but--indicative of the caution with which Zhivkov is moving--retains his membership on the party politburo. The regime

has argued in the Bulgarian Writers' Union that "Stalinist norms" must be abandoned, but has ignored vociferous demands from the members that the culture bosses of the past be ousted.

The reason for Zhivkov's difficulties is that a majority of the present district and central party leadership supported Chervenkov and find the concept of de-Stalinization completely foreign to their outlook.

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Opposition to Zhivkov has been and is particularly strong in the politburo.

he has generally been unable to muster a majority in this body for any of his de-Stalinization measures. As a result he has had to turn to the central committee to push through his programs. He has even had to expand central committee meetings to

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

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include district party secretaries to tip the balance in his favor.

support among the local party leaders, as a whole they remain Stalinist oriented. Khrushchev's visit has probably ensured that they will not actively oppose Zhivkov at the eighth Bulgarian party congress scheduled for late August.

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The reform of the Bulgarian party will probably come about only over a long period. To resolve the conflicting views of groups within the party, to loosen the rein on culture and arts, and to effect closer party relations with the nonparty population will require lengthy re-education of party members.

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Although Zhivkov has been slowly building up personal

PROSPECTS FOR AZORES BASE RIGHTS NEGOTIATIONS

Continuing adverse press criticism of US policies and an increasingly negative attitude by high Portuguese officials indicate that Lisbon is building up a tough bargaining position for renegotiation of the Azores base rights agreement, which expires on 31 December. The predilection of the top military echelon for continued military cooperation with the

US will probably obviate any move to force the US out of the islands, but Lisbon may decide it can exert leverage on Washington's African policies by agreeing at this time to only a one-year extension.

The existing agreement-- which gives the US use of the Azores military base, including

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CURRENT INTELLIGENCE WEEKLY SUMMARY

Lajes and Santa Maria airfields --was signed in September 1951, extended for a year in late 1956, and renewed for a five-year period with some minor changes in November 1957. Although the US makes no direct payment for the use of the base, it has spent approximately \$100 million in developing it, in addition to about \$300 million in military assistance programs to Portugal since 1950.

While Portuguese officials have been bitterly outspoken since early 1961 against US refusal to condone Lisbon's African policies, it is only in recent weeks that the threat of terminating the base agreement has been explicitly raised. Prime Minister Salazar told an American newspaperman on 17 May that he could not agree to a renewal, as the Portuguese people would fail to understand it in view of the "successive attacks" by the US on Portugal.

While the Belgian NATO representative, who spent several hours with Salazar on 2 June, believes a firm decision has not yet been reached, he has the impression that Salazar might decide not to renew. It is unlikely, however, that Salazar will be able to reject the advice of his military authorities. The Portuguese Army chief of staff told General Norstad late last month that he believes "current problems" with the US will not prevent a satisfac-

tory renegotiation, and the American Embassy in Lisbon reports that the great majority of the military leaders "cannot conceive of a possible refusal to renew."

The regime's stiffening attitude may reflect puzzlement over US intentions. Foreign Minister Nogueira has stated that it is up to the US to make a "formal request" to renegotiate. The regime probably expects this topic to be raised during Secretary Rusk's 27-28 June visit to Lisbon.

Nogueira indicated the political quid pro quo he has in mind when he told a Swedish journalist on 22 April that Lisbon would "very probably" present new terms, including a US guarantee for a "more positive attitude toward our problems...in effect, moral support for our legitimate claims." Presumably he envisages demanding official US statements favorable to Lisbon's overseas policy and public assurances that the US will not support rebel movements. Lisbon will probably also ask for significant financial assistance, and possibly for some military equipment.

The Portuguese are well aware that the Azores base is the only "trump card" in their dealings with the US, and they will attempt to use it to secure maximum concessions during the rights renegotiations. 25X1

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SPAIN**

The Franco regime, in contrast to the unusual moderation with which it handled Spain's two-month strike wave, has dealt promptly and repressively with opposition political leaders for their activities at a recent nongovernmental conference on European integration in Munich. Conservative and other leaders from Spain united there with a number of long-time Spanish exiles in pressing a resolution to the effect that Spain must liberalize its political structure to qualify for the Common Market. The regime nevertheless seems to recognize that the political climate is changing. It will probably be faced with increasingly insistent demands for liberalization, particularly from labor.

The Munich resolution was backed unanimously by the 118 Spanish delegates, a third of whom were exiles. This seems to have generated renewed enthusiasm and created new ties between exiles and domestic oppositionists. A major factor may be the important role reportedly taken by the younger members of the group from Spain in facilitating agreement. Lack of effective ties among opposition groups has been a serious drawback in the past and was one of the reasons they were unable to capitalize effectively on the recent strike.

No immediate results, however, are to be expected from the Munich resolution, in view of the prompt governmental measures to exile or isolate prominent opposition spokesmen. Joaquin Satrustegui, leader of the monarchist Union Espanol, and two monarchist colleagues have been sent to the Canary Islands. Right-wing Christian Democrat Jose Maria Gil Robles and Jesus Prados Arrate, member of the social democratic Accion Democratica, have chosen exile.

While the energetic government action gives an impression of decisiveness, it is also a sign of weakness, indicating the regime's difficulties in adapting to new political and economic situations. By attempting to demonstrate firm control in this instance, it may hope to make clear to labor that there is a limit to laxity beyond which the regime will not be pushed, regardless of foreign reaction.

Nevertheless, labor may be Franco's greatest problem. The government-sponsored syndicates have been discredited as representatives of workers' rights, and the extent of this vacuum became increasingly apparent as the strike wave spread. Advocates of direct action, particularly among the younger members of the opposition, may be encouraged to develop more forceful means to assert labor's rights.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****BRAZIL**

Public confidence in the Goulart regime, which rose steadily during the early months of this year, has again fallen off. One important factor is the expectation of a new cabinet. Congressional and gubernatorial elections are scheduled for 7 October, and ministers who run must resign their cabinet posts by 7 July. Prime Minister Tancredo Neves, who is among those doing so, has tended to support President Goulart rather than compete with him, but Neves' successor may seek to utilize more fully the powers his office was given by the constitutional amendment of September 1961, through which Brazil adopted a parliamentary form of government.

Leonel Brizola, governor of Rio Grande do Sul, has lost popularity in his home state, but on 22 May he opened a campaign for deputy from the state of Guanabara--which includes the city of Rio de Janeiro--in a speech violently attacking the United States, North Americans, and the Alliance for Progress.

Both Arraes and Brizola may face legal impediments to their candidacies, however, because of a constitutional provision barring from the gubernatorial and congressional races persons closely related to an incumbent state or federal chief executive. Arraes is the brother-in-law of Governor Sampaio of Pernambuco, although Arraes' wife now is dead, and Brizola's wife is President Goulart's sister.

There also are indications of instability in the economy. There is a shortage of prime staples--beans and rice--in most major cities except in the three southernmost states, and this shortage is accentuated by hoarding. In the north and northeast, there have been floods in some areas, while drought prevails elsewhere. The foreign exchange rate has fallen about 12 percent since early May.

Spreading rural unrest was indicated by the killing of eight people in a clash between rural workers and police in late May in Maranhao, a previously peaceful northeastern state.

In the Sao Paulo gubernatorial race, former President Janio Quadros has improved his standing and now may be running abreast of ex-Governor Adhemar de Barros and a less widely known protégé of the incumbent governor. In the key northeastern state of Pernambuco, pro-Communist Miguel Arraes appears to be the early favorite, as his opposition tries to agree on a attractive candidate. Goulart's brother-in-law

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CURRENT INTELLIGENCE WEEKLY SUMMARY

COLOMBIA

Guillermo Valencia, who is scheduled to visit the US in late June, was elected President on 6 May as the candidate of the National Front coalition of moderate Liberals and Conservatives which has provided Colombia with constitutional rule and political stability since the overthrow of dictator Rojas Pinilla in 1957. Although he has not yet announced cabinet appointments or issued any major policy statements, Valencia is committed to the strongly pro-Western policies of President Lleras Camargo's administration.

Colombia's firmly anti-Castro position and its enthusiastic support of the Alliance for Progress are almost certain to continue after Valencia assumes office on 7 August. Opposition parties and dissident factions within both the Liberal and Conservative parties have shown signs of internal weakening since the presidential election and lack the force to obstruct government programs. There is, however, widespread concern in Colombia as to Valencia's executive ability.

The incoming administration will face difficult economic problems, including a balance-of-payments deficit that may reach \$130 million in 1962, according to official Colombian estimates. The severe payments problem is due primarily to a sharp rise in imports and the persistent decline in the world coffee market, the chief source of Colombia's foreign exchange earnings. According to the minister of finance, Colombia has lost over \$400 million in the last four years because of the unfavorable coffee situation.

A high-level Colombian economic commission has been seeking import refinancing from private European banks to cover the deficit in commercial balances with European exporters --primarily West German. To alleviate the deteriorating coffee situation, the government is attempting to obtain support for a new international agreement on coffee prices to stabilize the world market. In addition, Colombia is seeking a permanent quota in the US sugar market.

The chronic rural violence that has plagued Colombia since 1948 and caused more than 250,000 deaths has increased in recent weeks with over 200 deaths each month. Government security forces appear incapable of suppressing the violence in the near future. Communist influence among the bandit groups appears to be largely confined to two small communities, but there is a potential danger that the Communists will attempt to organize the insurgents into a coordinated guerrilla force.

The government is concerned over the recent increase in leftist agitation--particularly among students--and the rising number of civil strikes, largely protesting inadequate public services. Numerous large-scale student demonstrations--generally anti-government in nature--have occurred throughout Colombia in the past several weeks. While the Communists do not have the capability of seizing power on a national scale in the foreseeable future, they are likely to continue attempts to foment disorder.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

NORTH VIETNAM'S AID DIPLOMACY IN AFRICA

The North Vietnamese have set up a foreign aid program in Guinea that they hope will be a prototype for projects elsewhere in Africa. They are paying particular attention to former French colonies, frequently pointing out that they all share a common bond of experience in the struggle for independence from France. Exploitation of this theme has produced some results: Guinea, Mali, and Senegal have extended recognition to Hanoi.

Hanoi radio announced on 5 June that specialists in transportation and communication are being sent to Guinea to help build roads and bridges and organize transport. A group of doctors and teachers was sent earlier under a cultural agreement signed in 1961.

The teachers sent by Hanoi have concentrated on teacher training. Eight of the instructors on the staff of the Ecole Normale Secondaire, which trains teachers for the first three years of secondary schools, are North Vietnamese. These teachers submitted a thoroughly Marxist curriculum for the

school, which included such topics as "Fundamental Principles of Socialist Education" and "Marxist-Leninist Theory of Knowledge as the Basis of the Process of Education."

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Unable to compete with more affluent nations in terms of impact construction projects for economically underdeveloped areas, Hanoi is counting on its own approach to support its bids for wider international recognition and increased influence among former French colonies. It probably does not expect quick results. Since last December's blowup over the actions of the Soviet ambassador in Guinea, Conakry has been giving closer scrutiny to all bloc activities in the country. Mali has not yet responded to a North Vietnamese offer last year to help in the fields of public health and education. Morocco has failed to give a favorable reply to North Vietnamese approaches for recognition.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

SPECIAL ARTICLES

SOVIET CONCEPT OF WORLD WAR III IN EUROPE

Soviet military doctrine as described by Defense Minister Malinovsky and other writers in the Soviet press last month holds that the next world war will be a rocket-nuclear war and that targets for attack will include centers deep in the enemy rear. These writers assert that the USSR, because of its size and economic structure, is less vulnerable than the capitalist countries and thus holds a strategic advantage.

Soviet doctrine also states that ultimate and decisive victory over the "imperialist aggressors" can be attained only as a result of joint, well-coordinated, and decisive action of all the armed forces and services. In short, say Soviet military writers, "rocket-nuclear war will be conducted by massive, multimillion-man armies." The latter concept applies most directly to the European theater and is reflected in the type of training and force structure of Soviet units from East Germany to the Urals.

The Initial Exchange

Because of the overriding importance of surprise in a nuclear attack, the Soviets apparently believe that war would come with very little warning or last-minute buildup of forces. They foresee that its initial phase would include an intercontinental exchange by the opposing strategic nuclear forces, and they recognize the disruption that would be caused in the USSR. In the European theater, the targets of highest priority for Soviet medium-range missiles and medium bombers would be NATO strategic rocket and air bases and nuclear stockpiles. The Soviets would thus hope to minimize the weight of the nuclear attack the West could launch on their own homeland. Their strikes would also prepare the way for a rapid ad-

vance by Soviet theater forces into western Europe.

Zones of Operation

In World War II the Soviets operated from eight to ten "fronts"--the nearest US equivalent is the field army--on a line stretching from the Black Sea to the Baltic. In a war against NATO it is likely that only about five would be used, because of the anticipated short duration of the campaign and the necessity for dispersal because of the West's weapons of mass destruction. The operational zones for the fronts probably would be Scandinavia, the North European Plain, Austria and Italy, European Turkey and Greece, and Asiatic Turkey and Iran.

The Soviet front of World War II utilized 30-35 divisions, whereas present concepts appear to call for about 20-25 divisions in a major frontal operation, about a third of which would be tank divisions. The new divisions are far more mobile and have tremendously increased firepower over their counterparts of the last war. As a result the Soviets hope to achieve speeds of advance sufficient to allow them to destroy all but remnants of the opposing forces within the first few weeks of the war.

Soviet military writers express the belief that World War III, insofar as it pertains to the ground forces, would be a war of rapid maneuver. There would be no stability of front lines, and adjacent large units might not even be able to maintain contact. Thus the fronts in Western Europe would operate more or less independently of each other.

The Soviets would count heavily on formations now in the border and immediately

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

adjacent military districts for the ground attack; there are about 95 divisions in these areas. Units from the North Caucasus, Transcaucasus, and Turkestan Military Districts would logically comprise the forces advancing into the Near East. Units from the Odessa and Kiev Military Districts would advance through Rumania and Bulgaria and possibly toward Austria and Italy; troops from the Carpathian Military District might also be used in the latter operation in conjunction with the USSR's Southern Group of Forces in Hungary. Units from the Belorussian, Baltic, Carpathian, and Moscow Military Districts would move to link up with the Group of Soviet Forces in Germany for the major battle of the campaign in Central Europe. An attack on Scandinavia would involve Leningrad and possibly Moscow Military District troops.

The Warsaw Pact command post exercise of October 1961 included as a major feature the movement of elements from several western border military districts into Poland and Czechoslovakia. Additional exercises of this type are expected as the Soviets attempt to decrease the time needed for a rapid reinforcement of the forward areas.

The Follow-up

A tactical air army of some 400 fighters, fighter-bombers, and light bombers and possibly a unit of cruise missiles would be subordinate to each of the major fronts. Each front also would have one or two brigades of SS-2 350-nautical mile surface-to-surface missiles (perhaps 12 launchers). A brigade of perhaps six launchers for the 150-n.m. Scud missile would be attached to each of the several armies subordinated to a front, and each division would have two launchers for free rockets with ranges of 11-26 n.m.

The Soviets expect to count heavily on chemical missiles,

and they may expect to use conventional explosives for some of their shorter range missiles. Possibly one third to one half of the surface-to-surface missiles available to a front would use nuclear warheads.

During the initial stages of a war, doctrine calls for a pre-offensive preparatory strike by front and army units using nuclear weapons against targets in the enemy rear to a depth of the expected offensive operation. This would be as much as several hundred miles, and targets would be enemy tactical missile and tactical air bases, tactical nuclear stockpiles, major troop formations in the enemy rear, ammunition dumps, critical communications centers, and POL dumps.

The initiation of the ground attack would be accompanied by nuclear and chemical strikes by army and division-level missile units; their primary objectives would be enemy front-line troop concentrations, enemy nuclear support means, and transportation bottlenecks.

An analysis of the number of nuclear delivery vehicles available to the Soviet front leads to the conclusion that perhaps 200-300 nuclear weapons would be expended in a frontal operation, with most being delivered in the first few days of the attack and the remainder held in reserve. The Soviets evidently expect the first strikes to destroy over half of the opposing troops.

The Soviets hope to advance rapidly to destroy remaining enemy divisions and have spent a considerable amount of training in river-crossing techniques and rapid movement, including movement through contaminated areas. Depending on the situation and terrain, medium and heavy tank formations would lead the attack and be backed by infantry units with strong artillery support. Paratroop divisions, of which there are six in the European USSR, would be dropped in appropriate

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CURRENT INTELLIGENCE WEEKLY SUMMARY



strategic areas of the enemy rear. Tactical aviation would provide nuclear and non-nuclear support and, together with surface-to-air missile battalions, provide protection for the Soviet troops. Where the front had a seaward flank, units of the Soviet Navy would provide missile and gun-fire support.

Mass Armies

Soviet military leaders apparently anticipate huge losses in their tactical formations in such a battle, and this probably is one reason for the stress on mass armies in recent writings by military theorists. It may also be in this context that the integration of Warsaw Pact forces is being given new emphasis.

there will be two regional commands in the satellites. One is said to involve Hungary, Rumania, and Bulgaria, and the other East Germany, Poland, and Czechoslovakia.

It has not yet become clear precisely how the Soviets expect to use the satellite armies. There is no firm evidence that any satellite is to receive either nuclear weapons or surface-to-surface missiles. Continued unwillingness to give them a nuclear attack capability probably is a complicating fac-

tor, and it is difficult to see how large satellite formations could be used without organic nuclear support. It is possible that satellite divisions would be individually subordinated to larger Soviet units and therefore have army and front nuclear support.

It is also possible that the satellite armies will have a more limited mission.

the mission of East German border and infantry units would be to defend against a NATO attack--with a Soviet army on the right flank and a Czech on the left--until a counterattack could be prepared. The 7th Tank Division of East Germany would lead the counterattack across the Rhine. The Soviet army would link up on the opposite bank and conduct the offensive from there.

If this version is correct, it is reasonable to assume that the satellite armies, as well as Soviet forces now in the satellites, would bear the brunt of the fighting--and the casualties--in the initial stages of the ground war and would be replaced by troops arriving from the USSR who would then drive westward to capture Western Europe.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

THE BLOC AND CUBA'S ECONOMIC PROBLEMS

Three and half years of revolutionary upheaval in Cuba, accompanied by gross mismanagement, the break in trade with the United States, and the measures taken to reorient the Cuban economy toward the Sino-Soviet bloc, have led to a general decline. Cuba now is experiencing consumer shortages typical of Communist-dominated countries, and the population has been told by its leaders that sacrifice will be necessary for the indefinite future. Even though considerable advice has been provided by bloc experts, the Cuban leadership so far has proved itself incapable of directing a centrally planned economy. Cuban officials are frank in acknowledging difficulties, but retain their optimism for the success of their plans and appear confident of continued bloc support.

While some bloc leaders doubtless have serious reservations over the course of events in Cuba, particularly the development of Castro's self-styled brand of Communism, Moscow has made a strenuous effort--aided to some extent by its European satellites and Communist China--to help overcome Cuba's mounting economic difficulties. Despite problems of distance, an unfamiliar Latin American environment, and heavy Cuban requirements, the bloc appears willing to accept the burden of supporting Cuba during its transition from a Western to a Communist-style, planned economy. Prospects for Cuba's development for the immediate future are by no means bright. However, Moscow's willingness to commit its resources and prestige to back the plans of

the Cuban regime indicates that the bloc effort is geared for the long run in the hope that Cuba can be made economically viable, and thus give impetus to the Communist movement in the western hemisphere.

Shortages

The most pressing problem now facing Cuba is the severe shortage of consumer goods, and of raw materials to sustain even the present reduced level of industrial activity. The gravity of this problem has often been overstated in refugee accounts, but the cumulative effects of agricultural failures, poor management, and disruption of previous trade and distribution patterns are clearly evident.

Per capita caloric food consumption in Cuba is estimated to have declined by more than 15 percent in the last two years. To cope with growing food shortages, a rationing plan was introduced in mid-March which covers most staple food items and continues the rationing of fats and meats in effect since last year. Under this plan, which immediately became snarled in administrative problems and probably aggravated the situation, per capita food consumption in Cuba is estimated to have dropped from third to seventh highest in Latin America.

The food shortage in Cuba is attributable to a variety of factors, including indiscriminate livestock slaughtering, government mismanagement of agriculture, lack of material incentives for the labor force, and, recently, the worst drought in many years. In addition, on

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CURRENT INTELLIGENCE WEEKLY SUMMARY

the basis of overly optimistic domestic production targets, imports of foodstuffs were reduced substantially during the first three years of the regime. As a result, food imports in 1961 were estimated at about two thirds the 1958 level.

Similar problems have arisen in connection with supplies of other goods once readily available from the US. Raw material shortages, which were acute during part of 1961 and which forced shutdowns at some plants, have been relieved somewhat by increased deliveries from the bloc, but quality control, poor execution of plans, and transportation difficulties remain continuing problems. Such difficulties are chronic within the bloc and are likely to be a permanent feature of the Cuban economy.

Poor Sugar Crop

Increased exports of Cuban sugar to finance necessary imports normally would compensate for the failure to produce sufficient food and consumer goods. However, because of the problems plaguing agriculture in general, the 1962 sugar harvest is expected to yield between 4.8 and 5.0 million metric tons of raw sugar, about 17 percent less than the average of the last five years and far below the 1961 bumper crop of some 6.8 million tons.

After allowance is made for domestic consumption and carry-over stocks, not more than 5.7 million tons will be available

for export in 1962. Actual exports in 1961 totaled about 6.4 million tons.

As sugar accounts for some 80 percent of Cuba's export earnings, such a reduction in sales could result in further severe complications for the economy. Initially it appeared that Cuba's reaction to the poor crop would be a sharp cutback in sugar exports to the bloc and an attempt to maximize convertible currency earnings from sales to the West. Havana's announcement early this year of its intention to suspend sugar sales temporarily, and its attempt in the meantime to secure bloc cooperation in bolstering the sagging price of sugar, appeared aimed in the same direction.

Now it appears that the cutback in sales to the bloc will be relatively minor. Sales to nonbloc customers probably will decline to below 1 million tons, and the reduction in convertible currency earnings will further limit Cuba's ability to procure supplies in the West.

Industrial Activity

While grandiose plans for Cuba's future economic development based on bloc aid are slowly pressed forward, the island's industrial establishment has undergone a gradual but general deterioration. A complete collapse of industry is by no means imminent, however, and the rate and type of deterioration vary considerably from one industry to another.

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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

In certain priority fields, such as petroleum refining and nickel processing, production has been maintained at fairly high levels. In industries producing for civilian consumption, both volume and quality have declined substantially during the past two and a half years.

Because nearly all Cuban industrial equipment is of US origin, procurement of replacement parts in the face of the US embargo probably is the primary industrial problem in Cuba today. Some equipment has been patched up, other equipment has been cannibalized, bloc equipment has been substituted for worn-out components, and other countries have been canvassed for badly needed items. The flight of qualified Cuban technicians and irregularities in supplies of raw materials from the bloc have hastened the industrial decline.

Bloc Assistance

The bloc's response to Havana's growing economic troubles was not immediate and probably involved prolonged deliberation over the wisdom of subsidizing an economy in which conditions are probably no worse than those in much of Eastern Europe and far better than in the Communist Far East. Recent Soviet moves in support of Cuba, however, strongly suggest that Moscow has decided a sustained drive to overcome the deficiencies in the Cuban economy is necessary to avert a major crisis for the Castro regime.

Under a supplementary trade protocol signed in Moscow on 14 May, Soviet export commitments to Cuba apparently have been increased by about \$50,000,000 over the level agreed to in the 1962 trade pact concluded only last January. The new protocol includes additional Soviet exports this year of more than 5,000 trucks, 850 tractors, and an oil tanker. Large quantities of Soviet industrial raw materials and foodstuffs--including beans, potatoes, grains, flour, meat, milk, and baby food--are scheduled for delivery to help remedy Cuban shortages. Similar trade protocols boosting exports to Cuba have been or will be signed with most of the European satellites.

The adjustments made in these agreements afford Cuba a measure of the balance-of-payments relief it needs to help overcome its economic difficulties. While financial terms are unclear, the agreements evidently involve no increase in Cuba's export commitments or any cutbacks in shipments of bloc industrial goods. Presumably Cuba will be allowed to run a deficit in this year's trade with the bloc.

While stopgap measures are employed to help check the deterioration in industry, plans for re-equipping the island with new capital equipment from the bloc continue to be expanded. Recent announcements in connection with Soviet aid programs

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

strongly suggest that the USSR has extended another \$100,000,000 credit to Cuba. Although terms are still unclear, it may be a five-year commercial-type credit similar to one of the same size extended last year for Cuba's nickel industry. Such new aid would bring total bloc commitments for Cuba's industrial development to at least \$457,000,000, including the initial long-term credit of \$100,000,000 provided by the USSR in February 1960.

Under the Soviet program some 20 separate industrial projects are to be undertaken in Cuba, including construction of a large new steel plant and expansion of three existing ones and construction of a petroleum refinery, two thermal electric power plants, a file factory, a tool factory, nickel plants, and a machinery and spare parts plant. Planning on many of these projects is well under way, and equipment has begun to arrive for the first installations. Partly as a result of the stress on solving more immediate economic problems, but also because of the time required for the type of heavy industrial construction envisaged in the Soviet program, most of these projects are not scheduled for completion until 1965 or later.

A similar lag will occur in implementation of Cuban aid agreements with the satellites, but these programs generally have moved forward more rapidly. Initial emphasis has been on small-scale plants to help reduce Cuba's dependence on imported consumer goods. Plants

for producing tools, containers, light bulbs, pencils, and other light industrial products have already gone into operation. Contracts have been signed with the satellites in recent months for a variety of larger projects such as shipyards, power stations, cement plants, and textile mills, but construction in most cases is not slated to begin for a year or more.

Foreign Trade

The sweeping changes brought about in the Cuban economy under Castro are most evident in direction, composition, and level of foreign trade. In 1958, the year before Castro came to power, Cuba's exports brought in \$765,000,000 in convertible Western currencies; in 1961 Cuba's export earnings had declined to an estimated \$640,000,000, nearly three fourths of which was tied up in barter arrangements with the bloc. As a result of this year's poor sugar crop, 1962 earnings are likely to be about \$50,000,000 less.

Similarly, total Cuban imports dropped from \$880,000,000 in 1958 to about \$565,000,000 in 1961, reflecting both the decline in export earnings and the drastically curtailed purchases of consumer goods formerly imported, primarily from the United States. An increasing share of total imports has been taken up by industrial raw materials. While purchases of food and consumer goods may have a higher priority this year, they are unlikely

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25X1

to assume their former importance in Cuba's overall trade.

Cuba's trade with the bloc this year is scheduled to rise to well over \$1 billion, compared with about \$850,000,000 in 1961 and only \$265,000,000 in 1960. Trade with the USSR is to increase from about \$550,000,000 in 1961 to \$750,000,000, making Cuba Moscow's fifth-ranking world trading partner, following East Germany, Czechoslovakia, Poland, and Communist China. Havana's trade with nonbloc countries probably will decline to well below the \$250,000,000 recorded last year.

Relations With the Bloc

Their complaints in the economic field range from Cuban inability or unwillingness to master basic "socialist" concepts to Havana's failure to recognize the burden the Cuban economy imposes on the bloc. Such statements probably are accurate reflections of views held by many bloc officials who distrust the reliability of the Cuban leadership --no matter how loudly it professes its adherence to Communism--and who question extensive aid commitments to a country not a member of the "socialist camp."

Moscow shows no sign of retreating from its decision to grant Cuba special economic treatment. On the contrary, the revised 1962 Soviet-Cuban trade agreement suggests that even greater efforts are to be made this year in shoring up the Cuban economy. Other innovations or concessions --such as payments of hard currency for 20 percent of Soviet sugar imports, limited multi-lateral trade-and-payments agreements, banking credits to finance Cuban imports from non-bloc areas, and Soviet willingness to accept the heavy transportation burden involved in providing support to Cuba--all testify to Moscow's conviction that its efforts to produce an economically viable Cuba are worthwhile. Although there obviously are limits to this support, the USSR is unlikely to be deterred in its efforts by deficiencies which it believes can be corrected as Cuba is brought further along the path of Communist economic development.

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Next 5 Page(s) In Document Denied